

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA (PHILADELPHIA)**

FACUNDO RAINONE

2320 Hollywood Blvd.

Hollywood, FL 33020

AND

DONATO Y FERMIN LLC

2320 Hollywood Blvd.

Hollywood, FL 33020

Plaintiffs,

v.

ABC CAPITAL INVESTMENTS, LLC

305 N. 3rd Street

Philadelphia, PA 19122

AND

ABC CAPITAL RE LTD.

1218 N. Marshall Street

Philadelphia, PA 19122

AND

ABC CAPITAL RE

1218 N. Marshall Street

Philadelphia, PA 19122

AND

ABC CAPITAL MIAMI LLC

175 SW 7th Street, No. 2110

Miami, Florida 33130

AND

ABC CAPITAL BALTIMORE, LLC

518 S. Conkling St., 4th Fl.

Baltimore, MD 21224

AND

CIVIL ACTION

No.:

**JURY TRIAL OF TWELVE JURORS
DEMANDED.**

ABC MANAGEMENT –
BALTIMORE, LLC
100 International Drive, Fl. 23.
Baltimore, MD 21202

AND

ABC CAPITAL FINANCE, LLC
1218 N. Marshall Street
Philadelphia, PA 19122

AND

ABC CAPITAL HOLDINGS, LLC
1218 N. Marshall Street
Philadelphia, PA 19122

AND

ABC CAPITAL INCOME FUND, LLC
1218 N. Marshall Street
Philadelphia, PA 19122

AND

ABC CAPITAL REALTY, LLC
1218 N. Marshall Street
Philadelphia, PA 19122

AND

PHILLY METRO BUILDERS, LLC
4235 Main Street
Philadelphia, PA 19127

AND

IPP USA, LLC
1714 Memphis St., Ste. C-8
Philadelphia, PA 19125

AND

IPP-BALTIMORE, LLC
100 International Dr., 23rd Fl.

Baltimore, MD 21202

AND

IPP INVESTMENTS, LLC
C/O JACOB M. RAPPAPORT
A Registered Agent
502 Washington Avenue, 8th Fl.
Towson, MD 21204

AND

AGL CAPITAL INVESTMENTS, LLC
1218 North Marshall Street
Philadelphia PA 19122

AND

ABC HORIZONS, LLC
3604 Eastern Avenue, 1st Fl.
Baltimore, MD 21224

AND

HORIZON II, LLC
1218 N. Marshall Street
Philadelphia, PA 19122

AND

STATESIDE-PHILLY, LLC
C/O M. Burr Keim Co.
2021 Arch St.
Philadelphia, PA 19103

AND

**MD FIRST CONSTRUCTION
COMPANY, LLC**
1218 N. Marshall Street
Philadelphia, PA 19122

AND

477 MANAGEMENT, LLC
175 SW 7th Street, No. 1508

Miami, Florida 33130

AND

477 INTERNATIONAL REALTY, LLC

175 SW 7th Street, No. 1508

Miami, Florida 33130

AND

RICARDO SCATTOLINI

175 SW 7th Street, No. 1508

Miami, Florida 33130

AND

FLORENCIA MELENDEZ

175 SW 7th Street, No. 1508

Miami, Florida 33130

AND

JASON “JAY” WALSH

305 N. 3rd Street

Philadelphia, PA 19122

AND

AMIR VANA

305 N. 3rd Street

Philadelphia, PA 19122

AND

YARON ZER

305 N. 3rd Street

Philadelphia, PA 19122

AND

PETER BROOKS

305 N. 3rd Street

Philadelphia, PA 19122

AND

ROMINA ACCARDO
305 N. 3rd Street
Philadelphia, PA 19122

AND

JOHN DOES 1-10

Defendants.

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CIVIL ACTION COMPLAINT

I. INTRODUCTION

1. Plaintiffs, Facundo Rainon and Donato Y Fermin LLC, bring this action against a variety of businesses and individuals that, in conjunction with one another, operated as a corrupt organization under the Racketeer Influenced and Corrupt Organizations Act in a sophisticated ponzi scheme¹.

2. The RICO Enterprise marketed itself, particularly to foreign investors who spoke English as a second language, as a “one-stop”, “hands-off” solution to invest in “income-producing properties”, i.e. rental properties. The RICO Enterprise represented to potential investors that the RICO Enterprise would establish an investment vehicle, i.e. a limited liability company, through which the investor would purchase a set number of properties, located in Miami, Baltimore, and/or Philadelphia.

3. The RICO Enterprise represented to investors that in exchange for the amount paid for each rental property, the investor would receive a fully-renovated, rental property that would be exclusively managed by the RICO Enterprise.

¹ All Defendant entities and individuals named herein are believed and therefore averred to be members of the RICO Enterprise.

4. In fact, the RICO Enterprise guaranteed the rental income for either the first twenty-four months of ownership and even offered an “rental assurance” package that would be purchased annually to guarantee rental income in subsequent years.

5. Plaintiff, Facundo Raino, by and through Plaintiff, Donato Y Fermin LLC invested approximately \$102,875 through the RICO Enterprise for the purchase of a rental property, which included approximately \$75,000 for the full renovation of a rental property.

6. However, in reality, the RICO Enterprise would use the funds that were designated to fully-renovate the properties to line their own pockets.

7. In 2021, Plaintiffs discovered that the RICO Enterprise failed to make any renovations to the rental property and had absconded with the approximately \$75,000 Plaintiffs paid to the RICO Enterprise for the renovations.

8. Further, the RICO Enterprise failed to pay Plaintiffs guaranteed rental income of approximately \$13,500.

9. Plaintiffs bring the RICO claim, as well as a number of state law claims, for the fraudulent and deceptive conduct of the RICO Enterprise.

II. JURISDICTION & VENUE

10. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

11. This Honorable Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1331 as this matter involves a federal question, as well as pursuant to 18 U.S.C. §§ 1961-1968 for violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”) as Defendants have, directly and/or indirectly, made use of the means and/or instrumentalities of interstate commerce in connection with the transactions, acts, practices and courses of business alleged herein.

12. This Honorable Court has supplemental jurisdiction over Plaintiffs' state law claims pursuant to 28 U.S.C. § 1367.

13. Venue is proper in this District as (i) certain real property that is the subject of the transactions, acts, practices and courses of business alleged herein is situated within this District; (ii) one or more defendants reside within this District; and (iii) one or more of the transactions, acts, practices and courses of business alleged herein occurred within this District.

14. All Defendants performed substantial business within this District, as described herein, thereby knowingly subjecting themselves to the jurisdiction of this Honorable Court.

III. PARTIES

15. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

16. Plaintiff, Facundo Rainone, is an adult individual with a primary place of business at the above-captioned address. At all material times, Plaintiff, Facundo Rainone is the owner of Plaintiff, Donato Y Fermin LLC.

17. Plaintiff, Donato Y Fermin LLC is a limited liability company existing by virtue of and operating under the laws of the State of Florida, with its primary place of business at the above-captioned address.

18. Defendant, ABC Capital Investments, LLC is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

19. Defendant, ABC Capital RE LTD is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

20. Defendant, ABC Capital RE is, upon information and belief, a limited liability company with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

21. Defendant, ABC Capital Miami, LLC is a limited liability company existing by virtue of and operating under the laws of the State of Florida, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

22. Defendant, ABC Capital Baltimore, LLC is a limited liability company existing by virtue of and operating under the laws of the State of Maryland, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

23. Defendant, ABC Management - Baltimore, LLC is a limited liability company existing by virtue of and operating under the laws of the State of Maryland, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

24. Defendant, ABC Capital Finance, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

25. Defendant, ABC Capital Holdings, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

26. Defendant, ABC Capital Income Fund, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

27. Defendant, ABC Capital Realty, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

28. Defendant, Philly Metro Builders, LLC, formerly known and registered as Home Cash 1031, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

29. Defendant, IPP USA, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

30. Defendant, IPP-Baltimore, LLC is a limited liability company existing by virtue of and operating under the laws of the State of Maryland, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

31. Defendant, IPP Investments, LLC is a limited liability company existing by virtue of and operating under the laws of the State of Maryland, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

32. Defendant, AGL Capital Investments, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is believed to be a member of the RICO Enterprise.

33. Defendant, ABC Horizons, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

34. Defendant, Horizons II, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

35. Defendant, Stateside-Philly, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with its primary place of business believed to be at the above-captioned address and is a member of the RICO Enterprise.

36. Defendant, MD First Construction Company, LLC, is a limited liability company existing by virtue of and operating under the laws of the Commonwealth of Pennsylvania, with a registered agent at the above-captioned address and is believed to be a member of the RICO Enterprise.

37. Defendant, 477 Management, LLC, is a limited liability company existing by virtue of and operating under the laws of the State of Florida, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

38. Defendant, 477 International Realty, LLC, is a limited liability company existing by virtue of and operating under the laws of the State of Florida, with its primary place of business at the above-captioned address and is a member of the RICO Enterprise.

39. Defendant, Ricardo Scattolini is an adult individual with a primary workplace at the above-captioned address and is a member of the RICO Enterprise. Defendant, Ricardo Scattolini is an employee of Defendant, ABC Capital Miami, LLC, specifically the Vice Present of Sales and Operations, and an agent of the RICO Enterprise and is named herein due to his personal involvement in fraudulent, deceptive, and/or corrupt representations to and communications with Plaintiffs.

40. Defendant, Florencia Melendez is an adult individual with a primary workplace at the above-captioned address and is a member of the RICO Enterprise. Defendant, Florencia Melendez is an employee of Defendant, ABC Capital Miami, LLC, responsible for property management and renovations, and an agent of the RICO Enterprise and is named herein due to her personal involvement in fraudulent, deceptive, and/or corrupt representations to and communications with Plaintiffs.

41. Defendant, Jason “Jay” Walsh is an adult individual with a primary workplace at the above-captioned address and is a member of the RICO Enterprise. As Defendant, Jason “Jay” Walsh was the “Co-Founder” of Defendant, ABC Capital Investments, LLC, the original “ABC” entity, it is believed and therefore averred that Defendant, Jason “Jay” Walsh is personally knowledgeable of and controls the “pattern of racketeering activities” described herein. Further, Defendant, Jason “Jay” Walsh is named herein due to her personal involvement in fraudulent, deceptive, and/or corrupt representations to and communications with Plaintiffs.

42. Defendant, Amir Vana is an adult individual with a primary workplace at the above-captioned address and is a member of the RICO Enterprise. As Defendant, Amir Vana was the “Co-Founder” of Defendant, ABC Capital Investments, LLC, the original “ABC” entity, it is believed and therefore averred that Defendant, Amir Vana is personally knowledgeable of the “pattern of racketeering activities” described herein.

43. Defendant, Yaron Zer is an adult individual with a primary workplace at the above-captioned address and is a member of the RICO Enterprise. As Defendant, Yaron Zer was the “Co-Founder” of Defendant, ABC Capital Investments, LLC, the original “ABC” entity, it is believed and therefore averred that Defendant, Yaron Zer is personally knowledgeable of the “pattern of racketeering activities” described herein.

44. Defendant, Peter Brooks is an adult individual with a primary workplace at the above-captioned address and is a member of the RICO Enterprise. Defendant, Peter Brook is an employee of Defendant, ABC Capital Miami, LLC, responsible for property management and renovations, and an agent of the RICO Enterprise and is named herein due to his personal involvement in fraudulent, deceptive, and/or corrupt communications with Plaintiffs.

45. Defendant, Romina Accardo is an adult individual with a primary workplace at the above-captioned address and is a member of the RICO Enterprise. Defendant, Romina Accardo is an employee of Defendant, ABC Capital Miami, LLC, and an agent of the RICO Enterprise and is named herein due to her personal involvement in fraudulent, deceptive, and/or corrupt representations to and communications with Plaintiffs.

46. Defendants, John Does 1-10, is a moniker/fictitious name for individuals and entities currently unknown but will be substituted when known, as affiliated, associated or liable hereunder for the reasons set forth below or inferred therefrom. Each of these parties are incorporated as Defendants in each and every count and averment listed above and below. Upon information and belief, Defendants, John Does, were agents, servants, workmen, employees, affiliates, and/or co-conspirators of Co-Defendant(s) and/or members of the RICO Enterprise, liable to Plaintiffs hereunder.

47. The term “RICO Enterprise” herein will refer collectively to Defendants, ABC Capital Investments, LLC, ABC Capital RE LTD, ABC Capital RE, ABC Capital Miami, LLC, ABC Capital Baltimore, LLC, ABC Management - Baltimore, LLC, ABC Capital Finance, LLC, ABC Capital Holdings, LLC, ABC Capital Income Fund, LLC, ABC Capital Realty, LLC, Philly Metro Builders, LLC, IPP USA, LLC, IPP-Baltimore, LLC, IPP Investments, LLC, AGL Capital Investments, LLC, ABC Horizons, LLC, Horizon II, LLC, Stateside-Philly, LLC, MD First

Construction Company, LLC, 477 Management, LLC, 477 International Realty, LLC, as well as Individual-Defendants, Ricardo Scattolini, Florencia Melendez, Jason “Jay” Walsh, Amir Vana, Yaron Zer, Peter Brooks, Romina Accardo, and John Does 1-10.

IV. OPERATIVE FACTS

48. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

THE INITIAL REPRESENTATIONS

49. In or around 2019, Plaintiff, Facundo Rainon learned of a guaranteed investment opportunity from Defendant, Ricardo Scattolini through Defendant, ABC Capital Miami, LLC involving “Income Producing Properties” in which Defendant, ABC Capital Miami, LLC would provide guaranteed annual returns on investments in excess of nine percent (9%) per year for the first year.

50. Defendant, Ricardo Scattolini represented to Plaintiff, Facundo Rainon that Defendant, ABC Capital Miami, LLC was a “one-stop shop” for a guaranteed investment opportunity through “income-producing properties”, i.e. rental properties.

51. Defendant, Ricardo Scattolini represented to Plaintiff, Facundo Rainon that the Defendant, ABC Capital Miami, LLC had perfected a process in which it:

- a. would create a new entity to hold the investment properties;
- b. would select and coordinate the purchase of a to-be-agreed-upon number of properties for the newly created entity;
- c. coordinate a full renovation of the properties, including roofing, plumbing, electrical, with new appliances, including water heater and boiler or other heating unit – all to be completed within sixty days of settlement on each property; and,

- d. manage all aspects of the Property, including rental, maintenance, taxes, and compliance with all applicable laws, regulations, and ordinances.

52. Defendant, Ricardo Scattolini explained that Defendant, ABC Capital Miami, LLC guaranteed a return on investment in excess of nine percent per year.

53. Despite his position with Defendant, ABC Capital Miami, LLC, Defendant, Ricardo Scattolini corresponded with Plaintiff, Facundo Rainon via his email address with Defendant, 477 International Realty, LLC.

54. Plaintiff, Facundo Rainon reasonably and justifiably depended upon the representations from Defendant, Ricardo Scattolini in deciding to invest funds, as well as the representations that Plaintiff, Facundo Rainon viewed on the ABC websites.

THE RICO ENTERPRISE & SELECT WEBSITES

55. Defendant, ABC Capital Miami, LLC maintains a website at www.abccapitalmiami.com, which, as of March 18, 2021, describes it's "Product" as follows:

IPP

IPP / Income Producing Properties

IPP are high performing properties in growing markets with great potential due to the high occupancy rate and demand for rentals, the increase in property prices and the low property taxes.

The ABC Capital team analyzes the potential of each property in detail. Once acquired and stabilized, we proceed to the complete remodeling and lease to then offer them to our clients.

In this way, each property is prepared, individually or in groups, as IPP.

The administration of the properties includes maintenance, sending income for rent and reports to our clients offering a comprehensive solution for foreign investors.

See Exhibit A, Pages 1-2.

56. Defendant, ABC Capital Miami, LLC's website, as of March 18, 2021, represents on its website that it has "designed a process that allows us to develop a high performance [sic] product", describing that "process" as follows:

1. SEARCH AND PURCHASE - We do an extensive search and analysis to define the best available properties and acquire them with great benefits.
2. REHABILITATION PROGRAM - A detailed and full remodeling process, completed by professionals. This process includes: structural adjustments/improvements, electrical and plumbing systems, drywall, kitchen and more.
3. LEASE PROGRAM - Once the property is remodeled, we proceed to lease it, ensuring returns above 9% per year.
4. PROPERTY ADMINISTRATION - We take care of the administration including the following: – Receive the rent[,] – Pay expenses[,] – Monitor repairs[,] – Send a monthly account statement.
5. PROPERTY SALE - At this point, the property enters our system, is listed in our sales inventory and offered to investors as a stable option for their portfolio.

See Exhibit A, Page 3.

57. Defendant, ABC Capital Miami, LLC is an affiliate of the original ABC entity, Defendant, ABC Capital Investments, LLC. Defendant, ABC Capital Investments, LLC was founded by Defendants, Jason "Jay" Walsh, Amir Vana, and Yaron Zer in or around March 2011. It is believed and therefore averred that by Defendant, Jason "Jay" Walsh, among others, founded an even earlier ABC entity in or around 2004.

58. Over the following decade, Defendant, ABC Capital Investments, LLC, at the direction of, *inter alia*, Defendants, Jason "Jay" Walsh, Amir Vana, Yaron Zer, and Ricardo Scattolini created a network of ABC affiliates that work in conjunction with each other in the Miami, Baltimore, and Philadelphia markets, including, but not limited to:

- a. Defendant, ABC Capital RE LTD, which, upon information and belief, focuses on the purchase, sale, and management of real estate in the greater Philadelphia area;

- b. Defendant, ABC Capital RE, which, upon information and belief, focuses on the purchase, sale, and management of real estate in the greater Philadelphia area;
- c. Defendant, ABC Capital - Baltimore, LLC, which, upon information and belief, focuses on the purchase and sale of real estate in the greater Baltimore area;
- d. Defendant, ABC Capital Miami, LLC, which, upon information and belief, focuses on the purchase and sale of real estate in the greater Miami area;
- e. Defendant, ABC Management – Baltimore, LLC, which, upon information and belief, focuses on the renovation and management of real estate in the greater Baltimore area;
- f. Defendant, ABC Horizon, LLC, which, upon information and belief, focuses on the purchase and sale of real estate in the greater Baltimore area;
- g. Defendant, IPP USA, LLC which, upon information and belief, focuses on the entire purchase, sale, and management of real estate;
- h. Defendant, IPP-Baltimore, LLC, which, upon information and belief, focuses on the entire purchase, sale, and management of real estate in the greater Baltimore area;
- i. Defendant, Philly Metro Builders, LLC, which, upon information and belief, focuses of the renovation of real estate in the greater Philadelphia area; and,
- j. Defendant, MD First Construction Company, LLC, which, upon information and belief, focuses of the renovation of real estate in the greater Baltimore area.

59. It is believed and therefore averred that Defendants, ABC Capital Finance, LLC, ABC Capital Holdings, LLC, ABC Capital Income Fund, LLC, ABC Capital Realty, LLC, IPP Investments, LLC, AGL Capital Investments, LLC, Horizon II, LLC, and Stateside-Philly, LLC

are additional members of RICO Enterprise that serve “back-office”, rather than client-facing, aspects of the RICO Enterprise.

60. It is believed and therefore averred that Defendant, Ricardo Scattolini, in coordination with Defendants, 477 Management, LLC and 477 International Realty, LLC, served to select potential clients with knowledge of the intent of the RICO Enterprise and are all additional members of RICO Enterprise. Further, Defendant, Ricardo Scattolini through Defendant, 477 Management, LLC spearheaded the communications with Plaintiffs regarding the “management” of the properties following Plaintiffs’ purchases of the properties.

61. Defendant, ABC Capital RE, LTD currently maintains a website at www.abccapitalinvestments.com, which, as of March 18, 2021, represents to prospective clients that:

ABC Capital RE, LTD offers a totally passive way to hold Real Estate. No physical or administrative involvement is required from our clients. By working with ABC, you retain legal control through your own entity or in your personal name but we handle the rest of your affairs if you wish. Everything regarding your property is cared for by ABC Capital RE, LTD.”

See Exhibit B, Page 1

62. Defendant, ABC Capital RE, LTD’s website, as of March 18, 2021, further explains on its “About ABC Capital” page that:

ABC Capital RE, LTD is a one-stop shop for overseas and US real estate clients. We locate, renovate, and manage properties for hands off international/national clients. You do not have the risk of buying securities but instead your real estate properties remain in your own separate legal entity. ABC has presented our unique value proposition all over the world including cities and countries such as London, Singapore, Tel Aviv, Monaco, and New York. Our rental properties are cash-flow producing in the Philadelphia residential markets.

See Exhibit B, Page 4.

63. Defendant, ABC Capital RE, LTD's website, as of March 18, 2021, represents how it works:

1. Choose your income property – ABC researches and locates the best rental properties to compliment our investor's needs and portfolio. Our clients just need to select a property from our stock. Normal range for our properties is from \$25,000 to \$50,000.
2. We renovate it for you – The ABC Capital RE, LTD team will renovate your property in a maximum of 120 days. Our team has renovated and developed over 1,000 properties. You will receive a finished product with no effort on your part. The normal cost of our renovations range from \$35,000 to \$100,000. The cost of renovation is guaranteed by ABC Capital RE, LTD.
3. Start receiving your rental income – You will receive your first monthly payment never later than 121 days after your purchase and every 30 days thereafter via electronic funds transfers. First year rent income is guaranteed and starting the second year you may be able to get rent insurance if you so choose. Return on Investments are 14%+ yearly, in addition to property appreciation.

See Exhibit B, Page 2.

64. Defendant, ABC Capital RE, LTD's current website, as of March 18, 2021, further represents to prospective clients the following "Highlights":

Home Warranty – We fully renovate the properties, including a new roof with a 15-year warranty, but clients also receive a 1-year home warranty (from June 2016, it will only be 6 months) that covers your property for all damages and repairs needed within the first year of your purchase. No maintenance expenses during the first year!

Rent Protect – ABC Capital ensures that your monthly payment is delivered to you without fail. Yes, a guarantee that payments are made to you for the first year after purchase. You may choose to pay for that insurance (if available) in the 2nd and succeeding years.

Electronic Monthly Payments – Every month, your Return On Investment is sent to you via electronic funds transfer. Just provide us with the proper wiring instructions and your payments are sent automatically.

See Exhibit B, Page 2.

65. Defendant, ABC Capital RE, LTD's website, as of March 18, 2021, also explained its "Full Renovations" to prospective clients, stating:

After you purchase a property from our catalog, our sister company, Philly Metro Builders will conduct a FULL renovation. This includes new boiler and new roofing (15 years warranty), so the property will have very little or no maintenance during the next years. The full renovation is conducted in less than 90 days after the purchase of your home.

See Exhibit B, Page 3.

66. Plaintiff, Facundo Rainon reasonably and justifiably depended upon the representations from Defendant, Ricardo Scattolini, as well as the representations Plaintiff, Facundo Rainon viewed on www.abccapitalmiami.com in deciding to invest funds with Defendant, ABC Capital Miami, LLC.

THE INVESTMENTS

67. In or around 2020, Defendant, Ricardo Scattolini, believed with the assistance of Defendant, Florencia Melendez and other unknown individuals, worked with Plaintiff, Facundo Rainon to establish initial investments into Defendant, ABC Capital Miami, LLC's "Product", i.e. Plaintiff, Donato Y Fermin LLC.

68. Defendant, Ricardo Scattolini, believed with the assistance of Defendant, Florencia Melendez and other unknown individuals, selected a property in Baltimore, MD for Plaintiff, Donato Y Fermin LLC to purchase.

69. After multiple discussions with Defendants, Ricardo Scattolini and Florencia Melendez, among others on their behalf, Plaintiff, Donato Y Fermin LLC decided to purchase the property located at 622 Denison Street, Baltimore, MD 21229 through Defendant, ABC Capital Miami, LLC.

622 DENISON STREET, BALTIMORE, MD 21229

70. On or about April 15, 2020, Plaintiff, Donato Y Fermin LLC entered into a Real Estate Contract of Sale to purchase the real property located at and known as 622 Denison Street, Baltimore, MD 21229 (the “Property”) from Defendant, ABC Capital Baltimore, LLC for \$22,000. *See* Exhibit AAA. Defendant, Jason “Jay” Walsh executed the Real Estate Contract of Sale on behalf of Defendant, ABC Capital Baltimore, LLC. *See* Exhibit AAA, Page 5.

71. An addendum to the aforementioned contract, Defendant, ABC Capital Baltimore, LLC also contractually agreed to, *inter alia*, the following terms with regards to the Property:

- a. The condition of Property is warrantied for two (2) years, during which period purchaser was to have no maintenance costs;
- b. The roof of the Property was warrantied for twelve (12) years;
- c. Rental payments, in the amount of \$1,250 per month, were guaranteed for two (2) years;
- d. The purchaser agreed to pay ten percent (10%) of rental income for Property Management.

See Exhibit AAA, Page 6.

72. As an additional addendum to the aforementioned Real Estate Contract of Sale Plaintiff, Donato Y Fermin LLC also entered into a Property Management Contract with Defendant, ABC Management – Baltimore, LLC concerning the Property. *See* Exhibit AAA, Pages 8-15. Defendant, Jason “Jay” Walsh executed the Property Management Contract on behalf of Defendant, ABC Management – Baltimore, LLC. *See* Exhibit AAA, Page 15.

73. As an additional addendum to the aforementioned Real Estate Contract of Sale, Defendant, ABC Management – Baltimore, LLC contractually agreed to renovate the entire Property at a cost of \$75,000, including, *inter alia*, (i) demolition of the entire home; (ii) new

electric; (iii) new plumbing; (iv) new roof; (v) new kitchen and bathroom; and, (v) new stove and water heater. *See* Exhibit BBB (“Renovations Contract”). Defendant, Jason “Jay” Walsh executed the Renovations Contract on behalf of Defendant, ABC Management – Baltimore, LLC. *See* Exhibit BBB.

74. Settlement occurred on or about May 5, 2020. *See* Exhibit CCC.

75. Plaintiff, Donato Y Fermin LLC paid approximately \$89,375, net, for the purchase and renovation of the Property. *See* Exhibit CCC, Page 1. The total price paid by Plaintiff, Donato Y Fermin LLC was net of prepaid rent in the amount of \$13,500, i.e. twelve months of guaranteed rent less the ten percent (10%) management fee. *See* Exhibit CCC, Page 1 (Lines 214 and 302).

76. Per the HUD Statement, Plaintiff, Donato Y Fermin LLC was charged \$75,000 towards the renovation of the Property and paid to Defendant, ABC Management – Baltimore, LLC although the HUD Statement falsely characterized the payment as “Reimbursement of Previous Maintenance Fee” evidencing the lack of intent of Defendant, ABC Management – Baltimore, LLC to perform the contractual renovations. *See* Exhibit CCC, Page 2 (Line 1302).

77. Per the HUD Statement:

- a. Defendant, ABC Capital Miami, LLC received a commission of \$4,850 or 22% of the sales price (Line 702);
- b. Defendant, ABC Capital Miami, LLC also received a “Processing Fee” of \$499 (Line 804);
- c. Defendant, ABC Capital-Baltimore, LLC received a “Closing Fee” of \$1,909.57 (Line 1307); and,
- d. Defendant, ABC Capital RE received a “Per Agreement” payment of \$10,000 (Line 1306).

See Exhibit CCC, Page 2.

78. Despite the contractual guarantee of rental payments for a period of two (2) years, Plaintiff, Donato Y Fermin LLC only received the prepaid rent. Defendant, ABC Capital Baltimore, LLC failed to pay Plaintiff, Donato Y Fermin LLC rental payments, net of the management fee, totaling \$13,500, i.e. the remaining twelve months (12) of guaranteed rent.

79. Further, despite paying for the demolition and full renovation of the Property, Defendant, ABC Management – Baltimore, LLC failed to do so. It is believed and therefore averred that Defendant, ABC Management – Baltimore, LLC failed to make *any* renovations to the Property.

80. The Property is in a state of disrepair.

81. At the time of settlement, on or about May 5, 2020, no Defendant owned the Property which Defendant, ABC Capital Baltimore, LLC purported to have authority to sell to Plaintiff, Donato Y Fermin LLC.

82. Rather, at the time of settlement, the Property was owned by Non-Party, Valerie Persiano.

83. On or about July 10, 2022, a deed was recorded transferring the Property from Non-Party, Valerie Persiano to Defendant, ABC Capital – Baltimore, LLC for \$15,000.

84. On or about July 10, 2022, a second deed was then recorded transferring the Property from Defendant, ABC Capital – Baltimore, LLC to Plaintiff, Donato Y Fermin LLC for \$22,000.

85. One or more members of the RICO Enterprise, believed to include, but not be limited to, Defendants, Jason “Jay” Walsh and Ricardo Scattolini, knew and intended for the foregoing property to *not* be renovated and instead knowingly directed the RICO Enterprise to use the rehabilitation sums to line their own pockets.

V. CAUSES OF ACTION

COUNT I

Violations of the Racketeer Influenced and Corrupt Organizations Act (“RICO”)

Plaintiffs v. Defendants, ABC Capital Investments, LLC, ABC Capital RE LTD, ABC Capital RE, ABC Capital Miami, LLC, ABC Capital Baltimore, LLC, ABC Management - Baltimore, LLC, ABC Capital Finance, LLC, ABC Capital Holdings, LLC, ABC Capital Income Fund, LLC, ABC Capital Realty, LLC, Philly Metro Builders, LLC, IPP USA, LLC, IPP-Baltimore, LLC, IPP Investments, LLC, AGL Capital Investments, LLC, ABC Horizons, LLC, Horizon II, LLC, Stateside-Philly, LLC, MD First Construction Company, LLC, 477 Management, LLC, 477 International Realty, LLC, Ricardo Scattolini, Florencia Melendez, Jason “Jay” Walsh, Amir Vana, Yaron Zer, Peter Brooks, Romina Accardo, and John Does 1-10

86. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

87. Plaintiffs are “persons” as that term is defined for purpose of the RICO Act. *See* 18 U.S.C. §1961(3).

88. Defendants, ABC Capital Investments, LLC, ABC Capital RE LTD, ABC Capital RE, ABC Capital Miami, LLC, ABC Capital Baltimore, LLC, ABC Management - Baltimore, LLC, ABC Capital Finance, LLC, ABC Capital Holdings, LLC, ABC Capital Income Fund, LLC, ABC Capital Realty, LLC, Philly Metro Builders, LLC, IPP USA, LLC, IPP-Baltimore, LLC, IPP Investments, LLC, AGL Capital Investments, LLC, ABC Horizons, LLC, Horizon II, LLC, Stateside-Philly, LLC, MD First Construction Company, LLC, 477 Management, LLC, 477 International Realty, LLC, Ricardo Scattolini, Florencia Melendez, Jason “Jay” Walsh, Amir Vana, Yaron Zer, Peter Brooks, Romina Accardo, and John Does 1-10 constitute an “enterprise” as that term is defined for purpose of the RICO Act. *See* 18 U.S.C. §1961(4).

89. Defendants, ABC Capital Investments, LLC, ABC Capital RE LTD, ABC Capital RE, ABC Capital Miami, LLC, ABC Capital Baltimore, LLC, ABC Management - Baltimore, LLC, ABC Capital Finance, LLC, ABC Capital Holdings, LLC, ABC Capital Income Fund, LLC, ABC Capital Realty, LLC, Philly Metro Builders, LLC, IPP USA, LLC, IPP-Baltimore, LLC, IPP Investments, LLC, AGL Capital Investments, LLC, ABC Horizons, LLC, Horizon II, LLC, Stateside-Philly, LLC, MD First Construction Company, LLC, 477 Management, LLC, 477

International Realty, LLC, Ricardo Scattolini, Florencia Melendez, Jason “Jay” Walsh, Amir Vana, Yaron Zer, Peter Brooks, Romina Accardo, and John Does 1-10 acted together to form an association-in-fact for the common and continuing purpose to defraud persons, including but not limited to Plaintiffs, through a ponzi-like scheme surrounding “income producing properties” as described in detail herein.

90. Defendants, ABC Capital Investments, LLC, ABC Capital RE LTD, ABC Capital RE, ABC Capital Miami, LLC, ABC Capital Baltimore, LLC, ABC Management - Baltimore, LLC, ABC Capital Finance, LLC, ABC Capital Holdings, LLC, ABC Capital Income Fund, LLC, ABC Capital Realty, LLC, Philly Metro Builders, LLC, IPP USA, LLC, IPP-Baltimore, LLC, IPP Investments, LLC, AGL Capital Investments, LLC, ABC Horizons, LLC, Horizon II, LLC, Stateside-Philly, LLC, MD First Construction Company, LLC, 477 Management, LLC, 477 International Realty, LLC, Ricardo Scattolini, Florencia Melendez, Jason “Jay” Walsh, Amir Vana, Yaron Zer, Peter Brooks, Romina Accardo, and John Does 1-10 formed an enterprise and association-in-fact with an ascertainable authority structure that was separate and distinct from any formal corporate structure, i.e. the RICO Enterprise.

91. The RICO Enterprise, knowingly, fraudulently, deceptively, and unlawfully engaged in the affairs of the RICO Enterprise through a “pattern of racketeering activities”, that is believed to be ongoing, as that term is defined for purpose of the RICO Act. *See* 18 U.S.C. §1961(1).

92. The RICO Enterprise engaged in a pattern of indictable conduct, including conduct indictable under 18 U.S.C. 1341 (relating to mail fraud), 18 U.S.C. 1343 (relating to wire fraud), and 18 U.S.C. 1952 (relating to racketeering) in that the RICO Enterprise made use of the facilities of interstate commerce in furtherance of its ponzi-like scheme to defraud individuals, including, but not limited to, Plaintiffs herein as well as the thirty-three plaintiffs in *American*

Hypnotherapy Society, LLC, et al. v. ABC Capital Investments, LLC, et al (EDPA No. 19-6116); two plaintiffs in *Dr. Jose Michan-Levy, et al v. ABC Capital Investments, LLC, et al* (EDPA 21-01917); two plaintiffs in *Shlomy Erba, et al v. ABC Capital RE, LTD., et al* (EDPA 22-03188); one plaintiff in *Nova Home Group, LLC v. ABC Capital Investments, LLC, et al* (EDPA 22-04377); two plaintiffs in *Anibal Orrico, et al v. ABC Capital Investments, LLC, et al* (EDPA 22-03960); three plaintiffs in *Ricardo Oved, et al v. ABC Capital Investments, LLC, et al* (EDPA 22-04345); three plaintiffs in *Javier Opocynski, et al v. ABC Capital Investments, LLC, et al* (EDPA 22-04368); and, four plaintiffs in *Dr. Javier Rossi, et al. v. ABC Capital Investments, LLC, et al* (EDPA 23-00260).

93. The RICO Enterprise engages in and affects interstate commerce, including, but not limited to, in the State of Florida, the State of Maryland, and the Commonwealth of Pennsylvania, as well as overseas. Upon information and belief, the RICO Enterprise also engages in and affects interstate commerce in the State of Michigan and the State of Missouri.

94. As a result of the RICO Enterprise's pattern of racketeering activities, the RICO Enterprise defrauded Plaintiffs to their financial detriment.

95. Pursuant to 18 U.S.C. § 1964, Plaintiffs are entitled to treble damages, reasonable attorneys' fees, and costs of suit for the violations committed.

COUNT II
Fraud

Plaintiffs v. Defendants, Ricardo Scattolini and ABC Capital Miami, LLC

96. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

97. Defendant, ABC Capital Miami, LLC, by and through Defendant, Ricardo Scattolini, represented to Plaintiffs that in exchange for payment, they would:

- a. select and coordinate the purchase of the property;

- b. coordinate a full renovation of the property within sixty days of settlement; and,
- c. manage all aspects of the Property, including rental, maintenance, taxes, and compliance with all applicable laws, regulations, and ordinances.

98. Defendants, ABC Capital Miami, LLC, by and through Defendant, Ricardo Scattolini explained that ABC Capital Miami, LLC guaranteed a return on investment in excess of nine percent (9%) per year.

99. Defendants, ABC Capital Miami, LLC, by and through, Defendant, Ricardo Scattolini knew that the foregoing representations were false and misleading yet made the representations with the intent for Plaintiffs to rely thereupon.

100. Plaintiffs justifiably depended upon the representations of Defendants, ABC Capital Miami, LLC, by and through Ricardo Scattolini to Plaintiffs' financial detriment.

COUNT III

Negligent Misrepresentations

Plaintiffs v. Defendants, Ricardo Scattolini and ABC Capital Miami, LLC

101. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

102. Defendant, ABC Capital Miami, LLC, by and through Defendant, Ricardo Scattolini, represented to Plaintiffs that in exchange for payment, they would:

- a. select and coordinate the purchase of the property;
- b. coordinate a full renovation of the property within sixty days of settlement; and,
- c. manage all aspects of the Property, including rental, maintenance, taxes, and compliance with all applicable laws, regulations, and ordinances.

103. Defendants, ABC Capital Miami, LLC, by and through Defendant, Ricardo Scattolini explained that ABC Capital Miami, LLC guaranteed a return on investment in excess of nine percent (9%) per year.

104. Defendants, ABC Capital Miami, LLC, by and through, Defendant, Ricardo Scattolini should have known that the foregoing representations were false and misleading yet made the representations with the intent for Plaintiffs to rely thereupon.

105. Plaintiffs justifiably depended upon the representations of Defendants, ABC Capital Miami, LLC, by and through Ricardo Scattolini to Plaintiffs' financial detriment.

COUNT IV

Breach of Contract

Plaintiffs v. Defendant, ABC Capital Baltimore, LLC

106. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

107. Plaintiffs entered into a contract with Defendant, ABC Capital Baltimore, LLC for the full renovation of the Property. *See* Exhibit D.

108. Plaintiffs paid Defendant, ABC Capital Baltimore, LLC the full amount due for the renovation of the Property. *See* Exhibit E.

109. Defendant, ABC Capital Baltimore, LLC breached the subject contract by failing to make *any* renovations to the Property to Plaintiffs' financial detriment.

COUNT V

Breach of Contract

Plaintiffs v. Defendant, ABC Management – Baltimore, LLC

110. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

111. Plaintiff entered into a Property Management Contract with Defendant, ABC Management - Baltimore, LLC concerning Property. *See* Exhibit C.

112. It is believed and therefore averred that Defendant, ABC Management - Baltimore, LLC received compensation for the management of the Property.

113. However, despite contractually agreeing to manage the aforementioned property, Defendant, ABC Management - Baltimore, LLC breached the foregoing contract by failing to:

- a. Take reasonable business steps to ensure the property were leased during its management of the property;
- b. Take reasonable business steps to ensure the utilities used in the property were paid;
- c. Take reasonable business steps to preserve the condition of the property;
- d. Take reasonable steps to repair the property;
- e. Take reasonable steps to ensure the property met minimum, applicable codes and ordinances; and,
- f. Other breaches of the contracts as may be discovered during the course of this lawsuit.

114. As a result of Defendant, ABC Management - Baltimore, LLC's breaches of the foregoing contract, Plaintiffs have been financially harmed.

COUNT VI

Breach of Contract

Plaintiffs v. Defendant, ABC Capital Baltimore, LLC

115. Plaintiffs incorporate the foregoing paragraphs as if set forth at length herein.

116. Plaintiffs entered into a contract with Defendant, ABC Capital Baltimore, LLC that, *inter alia*, guaranteed rental payments for twenty-four months for the Property. *See* Exhibit C.

117. Defendant, ABC Capital Baltimore, LLC breached the contract by only making twelve such monthly payments to Plaintiffs' financial harm.

VI. PRAYER FOR RELIEF

WHEREFORE, Plaintiffs, Facundo Rainon and Donato Y Fermin LLC, by and through their undersigned counsel, respectfully demand judgment in their favor and against Defendants, ABC Capital Investments, LLC, ABC Capital RE LTD, ABC Capital RE, ABC Capital Miami,

LLC, ABC Capital Baltimore, LLC, ABC Management - Baltimore, LLC, ABC Capital Finance, LLC, ABC Capital Holdings, LLC, ABC Capital Income Fund, LLC, ABC Capital Realty, LLC, Philly Metro Builders, LLC, IPP USA, LLC, IPP-Baltimore, LLC, IPP Investments, LLC, AGL Capital Investments, LLC, ABC Horizons, LLC, Horizon II, LLC, Stateside-Philly, LLC, MD First Construction Company, LLC, 477 Management, LLC, 477 International Realty, LLC, Ricardo Scattolini, Florencia Melendez, Jason “Jay” Walsh, Amir Vana, Yaron Zer, Peter Brooks, Romina Accardo, and John Does 1-1, jointly and severally, in an amount in excess of \$100,000, including all direct, compensatory, and consequential damages, plus statutory and punitive damages, attorney fees and costs, and such other and further relief as this Honorable Court deems necessary and just.

Respectfully Submitted,

WEISBERG LAW

/s/ L. Anthony DiJiacomo, III

Matthew B. Weisberg

L. Anthony DiJiacomo, III

SCHAFKOPF LAW, LLC

/s/ Gary Schafkopf

Gary Schafkopf

Attorneys for Plaintiffs